

Senate File 100 - Introduced

SENATE FILE 100

BY LOFGREN and DAWSON

A BILL FOR

1 An Act relating to the creation of land banks.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

LAND BANKS

Section 1. NEW SECTION. 358A.1 Short title.

This chapter shall be known and may be cited as the "*Iowa Land Bank Act*".

Sec. 2. NEW SECTION. 358A.2 Legislative intent.

The general assembly finds and declares all of the following:

1. Iowa's communities are important to the social and economic vitality of this state. Whether urban, suburban, or rural, many communities are struggling with dilapidated, abandoned, blighted, and tax-delinquent properties.

2. Citizens of Iowa are affected adversely by dilapidated, abandoned, blighted, and tax-delinquent properties, including properties that have been abandoned due to mortgage foreclosure.

3. Dilapidated, abandoned, blighted, and tax-delinquent properties impose significant costs on neighborhoods and communities by lowering property values, increasing fire and police protection costs, decreasing tax revenues, and undermining community cohesion.

4. There is an overwhelming public need to confront the problems caused by dilapidated, abandoned, blighted, and tax-delinquent properties; to return properties that are in non-revenue-generating, non-tax-producing status to productive status in order to revitalize urban, suburban, and rural areas, provide affordable housing, and attract new industry; and to create jobs for the citizens of this state through the establishment of new tools that enable communities to turn abandoned spaces into vibrant places.

5. Land banks are one of the tools that communities can use to facilitate the return of dilapidated, abandoned, blighted, and tax-delinquent properties to productive use.

Sec. 3. NEW SECTION. 358A.3 Definitions.

As used in this chapter, unless the context otherwise

1 requires:

2 1. "*Abandoned*" means a parcel containing a building has
3 remained vacant for a period of at least twelve consecutive
4 months and is in need of rehabilitation.

5 2. "*Blighted*" means a parcel containing a building is unsafe
6 with objectively determinable signs of deterioration sufficient
7 to constitute a threat to human health, safety, and welfare.

8 3. "*Board*" means the board of directors of a land bank.

9 4. "*Dilapidated*" means a parcel containing a building is in
10 a state of deterioration as a result of age or neglect.

11 5. "*Geographical boundaries of the land bank*" means the
12 jurisdiction of the municipality that created the land bank
13 or in the case of any combination of municipalities creating
14 a single land bank or joining an existing land bank, the
15 combined jurisdictions of the municipalities. In the case of a
16 land bank created by a county, such land bank's jurisdiction
17 includes only the area of the county not included within an
18 incorporated city.

19 6. "*Land bank*" means an entity created under section 358A.4.

20 7. "*Local employee*" means a person employed by a
21 municipality of this state and does not include an independent
22 contractor.

23 8. "*Local official*" means an officeholder of a municipality
24 of this state.

25 9. "*Municipality*" means a city, county, or township.

26 10. "*Rehabilitation*" means the action of restoring to its
27 former condition something that has deteriorated or has been
28 damaged.

29 Sec. 4. NEW SECTION. 358A.4 Creation.

30 1. A land bank organized under this chapter shall be a
31 body corporate and politic, with the name under which it was
32 organized, and may sue and be sued in its own name, contract
33 and be contracted with, acquire and hold real and personal
34 property necessary for corporate purposes, adopt a corporate
35 seal and alter the same at pleasure, and exercise all the

1 powers conferred in this chapter.

2 2. *a.* Any municipality may create a land bank. Creation
3 shall be by ordinance in the case of a city or by resolution in
4 the case of a county or township. The ordinance or resolution
5 shall make reference to the purposes listed under section
6 358A.2.

7 *b.* Any municipality may create a land bank in combination
8 with other municipalities. Municipalities seeking to create
9 such a land bank shall comply with the procedures set forth in
10 chapter 28E. A land bank shall be considered a public agency
11 for the purposes of chapters 28E and 28H.

12 *c.* (1) Any city or township passing an ordinance or a
13 resolution or entering into a chapter 28E agreement creating
14 a land bank pursuant to this section shall promptly deliver
15 copies of the ordinance, resolution, or agreement to the
16 auditor, treasurer, and the county attorney of each county in
17 which the municipality is situated.

18 (2) Any board of supervisors adopting a resolution or
19 entering into a chapter 28E agreement creating a land bank
20 pursuant to this section shall deliver a copy of the resolution
21 or agreement to the county auditor, county treasurer, and
22 county attorney.

23 3. *a.* The enabling ordinance or resolution, or chapter 28E
24 agreement, shall set forth all of the following:

25 (1) The initial members of the board and the initial terms
26 of those members.

27 (2) General term lengths and limits for members of the
28 board.

29 (3) Procedures that the board shall follow in exercising
30 discretionary provisions of this chapter.

31 *b.* A chapter 28E agreement relating to a land bank shall
32 include procedures for the distribution of assets between
33 participating municipalities upon the dissolution of the land
34 bank.

35 *c.* Unless otherwise limited in the ordinance, resolution,

1 or chapter 28E agreement, the powers and procedures of a newly
2 created land bank shall be the powers and procedures specified
3 in this chapter.

4 4. A council of governments established in section 28H.1
5 shall not form a land bank. However, pursuant to a chapter
6 28E agreement, a council of governments may provide community
7 development services, planning services, and technical
8 assistance to a land bank.

9 Sec. 5. NEW SECTION. 358A.5 Board of directors.

10 1. a. A land bank shall have a board of directors in which
11 all powers of the land bank shall be vested.

12 b. Unless restricted by the enabling ordinance, resolution,
13 or agreement as specified in section 358A.4, the provisions of
14 this section shall apply to the governance of a land bank.

15 2. a. The membership of the board shall be established in
16 the bylaws of the land bank and shall consist of an odd number
17 of members, which shall be not less than five nor more than
18 eleven.

19 b. Unless otherwise specified by the ordinance, resolution,
20 or agreement under section 358A.4, the default length of a term
21 for a board member shall be four years. The maximum length of a
22 term for a board member shall be five years.

23 c. A land bank may, as determined in the bylaws, limit the
24 number of terms or consecutive terms that members of its board
25 may serve.

26 3. a. A local official may serve as a board member, and
27 service as a board member shall neither terminate nor impair
28 the local official's office.

29 b. A local employee shall be eligible to serve as a board
30 member.

31 c. The members of a board shall all be voting members.
32 Board members shall, to the extent practicable, include
33 representatives of each of the following:

34 (1) A local government.

35 (2) A chamber of commerce.

1 (3) Persons with experience in financial services.

2 (4) Persons with experience in real property acquisition or
3 real property development.

4 (5) Persons with experience in nonprofit or affordable
5 housing.

6 (6) Persons who meet all of the following:

7 (a) The person resides in the geographical boundaries of the
8 land bank.

9 (b) The person is not a local official or local employee.

10 d. Requirements provided in paragraph "c" may be satisfied
11 by the appointment of a single voting member who meets more
12 than one of the criteria.

13 e. A member removed under subsection 9 shall be ineligible
14 for reappointment to the board unless the reappointment is
15 confirmed unanimously by the board.

16 4. Annually, the board shall select from the board
17 membership a chair, vice chair, secretary, and treasurer and
18 such other officers as the board deems necessary.

19 5. A vacancy on the board shall be filled following the
20 procedure adopted pursuant to subsection 9. Removal of a
21 member shall cause the position to become vacant.

22 6. Board members shall serve without compensation.
23 However, the board may reimburse a member for expenses actually
24 incurred in the performance of duties on behalf of the land
25 bank as provided in bylaws adopted pursuant to subsection 9.

26 7. The board shall meet as follows:

27 a. In regular session according to a schedule adopted by the
28 board.

29 b. In special session convened by the chair or upon written
30 petition signed by a majority of the members.

31 8. a. A majority of the board, excluding vacancies,
32 constitutes a quorum.

33 b. A board may permit any or all members to participate in
34 a regular or special meeting by, or conduct a meeting through
35 the use of, any means of electronic communication by which all

1 directors participating can simultaneously hear each other
2 during the meeting. A member participating in a meeting by
3 means of electronic communication is deemed to be present, in
4 person, at the meeting.

5 9. a. The board shall adopt bylaws establishing all of the
6 following:

7 (1) Duties of officers selected pursuant to subsection 4.

8 (2) Requirements for attendance and participation of
9 members at regular and special meetings of the board.

10 (3) A procedure for removal of a member for failure
11 to comply with a bylaw. Removal shall only be made by the
12 affirmative vote of no less than a majority of all of the other
13 members of the board.

14 (4) A procedure detailing prioritization of what and which
15 types of properties to acquire, a procedure for acquisition of
16 properties, and a statement of purpose.

17 (5) A procedure for the terms and conditions relating
18 to disposition of properties, including but not limited to a
19 process for distribution of any proceeds to any claimants or
20 taxing entities, and to any other land bank.

21 (6) A procedure for the establishment, membership, and
22 duties of committees of the board.

23 (7) Rules to determine which expenses may be reimbursed.

24 (8) A procedure for making an appointment to fill a vacancy
25 on the board. The procedure shall include a simple majority
26 vote by the board to approve the appointment.

27 (9) Other matters necessary to govern the conduct of a land
28 bank.

29 b. When in actual conflict, the ordinances, resolutions, or
30 agreements described in section 358A.4 shall control over any
31 bylaws adopted by the board.

32 10. a. Except as set forth in paragraph "b" or "c", the
33 enabling ordinance, resolution, or agreement, or as set forth
34 by a land bank in its bylaws, an action of the board must be
35 approved by the affirmative vote of a majority of the board

1 present and voting.

2 *b.* Action of the board on the following matters must be
3 approved by a majority of the entire board membership excluding
4 vacancies:

5 (1) Adoption of bylaws.

6 (2) Hiring or firing of an employee or contractor of the
7 land bank.

8 (3) Incurring of debt.

9 (4) Adoption or amendment of the annual budget.

10 (5) Sale, lease, encumbrance, or alienation of real
11 property or personal property with a value of more than fifty
12 thousand dollars.

13 *c.* A resolution regarding dissolution of the land bank under
14 section 358A.17 must be approved by two-thirds of the entire
15 board membership.

16 *d.* A member of the board shall not vote by proxy.

17 *e.* A member may request that a vote on any resolution or
18 action of the land bank be recorded.

19 11. Members of the board shall not be liable personally on
20 the obligations of the land bank, and rights of creditors of a
21 land bank shall be solely against the land bank.

22 Sec. 6. NEW SECTION. 358A.6 Staff.

23 1. A land bank may employ or contract for the employment
24 of a secretary, an executive director, legal counsel and legal
25 staff, including the use of student clinicians from a reputable
26 law school in this state with a clinical law program, and such
27 other technical experts and agents and employees, permanent
28 or temporary, as the land bank may require. The land bank
29 may determine the qualifications and fix the compensation and
30 benefits of such persons. A land bank may also enter into
31 contracts and agreements with municipalities or nonprofit
32 entities for staffing services to be provided to the land
33 bank or for a land bank to provide such staffing services to
34 municipalities or agencies or departments of municipalities.

35 2. An employee of the land bank is not and shall not be

1 deemed to be an employee of the municipality for whose benefit
2 the land bank is organized solely because the employee is
3 employed by the land bank.

4 3. A land bank is an employer as defined in section 97B.1A,
5 subsection 9, paragraph "a", and an employee of the land bank is
6 an employee as defined in section 97B.1A, subsection 8.

7 4. The land bank shall determine the compensation for an
8 executive director who shall manage the operations of a land
9 bank and employ or contract for the employment of others for
10 the benefit of the land bank as approved and funded by the
11 board of directors.

12 Sec. 7. NEW SECTION. 358A.7 Powers.

13 1. In furtherance of the purposes set forth in section
14 358A.2, a land bank shall have all of the following powers:

15 a. To borrow money for any of the purposes of the land bank
16 by means of loans, lines of credit, or any other financial
17 instruments or securities other than through the issuance
18 of bonds, debentures, or notes. A land bank may secure its
19 indebtedness by mortgage, pledge, deed of trust, or other lien
20 on its property, franchises, rights, and privileges of every
21 kind and nature or any part thereof or interest therein. The
22 funds borrowed by the land bank are payable as to principal,
23 interest, and any other amounts owed the lender solely from
24 the proceeds from the net revenues of the land bank and are
25 not a debt of or charge against any of the municipalities that
26 formed the land bank within the meaning of any constitutional
27 or statutory debt limitation provision. For purposes of this
28 subsection:

29 (1) "*Gross revenues*" means the income and receipts of the
30 land bank from any source whatsoever, including but not limited
31 to contributions from private parties or member municipalities,
32 sale or lease of rehabilitated properties, and collection of a
33 portion of the property taxes during the five-year period after
34 sale or lease of the rehabilitated property.

35 (2) "*Net revenues*" means the gross revenues of the land bank

1 less the land bank's operating expenses.

2 *b.* To purchase, receive, hold, manage, lease,
3 lease-purchase, or otherwise acquire and to sell, convey,
4 including a conveyance by installment purchase contract,
5 transfer, lease, sublease, or otherwise dispose of real and
6 personal property, together with any incidental or appurtenant
7 rights, privileges, or uses, including but not limited to any
8 real or personal property acquired by the land bank in the
9 satisfaction of debts or the enforcement of obligations.

10 *c.* (1) To acquire the good will, business, rights, real and
11 personal property, and other assets of any person, subject to
12 any obligations enforceable against the property so acquired.

13 (2) To acquire, reclaim, manage, or contract for the
14 management of improved or unimproved and underutilized
15 real property for the purpose of constructing or causing
16 the construction of business establishments or housing on
17 the property, for the purpose of assembling and enhancing
18 utilization of the real property, or for the purpose of
19 disposing of such real property to others in whole or in part
20 for the construction of business establishments or housing.

21 (3) To acquire, reclaim, manage, contract for the
22 management of, construct or reconstruct, alter, repair,
23 maintain, operate, sell, convey, including a conveyance by
24 installment purchase contract, transfer, lease, sublease, or
25 otherwise dispose of business establishments or housing.

26 *d.* To acquire, subscribe for, own, hold, sell, assign,
27 transfer, mortgage, pledge, or otherwise dispose of stocks,
28 shares, bonds, debentures, notes, or other securities
29 interests or indebtedness and evidences of interest in, or
30 indebtedness of, any person, notwithstanding section 12B.10.
31 Any tax revenue received by a land bank shall not be used for
32 acquisition or subscription. The acquisition of securities
33 shall only be by gift. Securities so acquired shall be
34 converted to cash as soon as practicable.

35 *e.* To mortgage, pledge, or otherwise encumber any property

1 acquired pursuant to the powers contained in paragraph "b", "c",
2 or "d".

3 *f.* To serve as an agent for grant applications and for the
4 administration of grants, or to make applications as principal
5 for grants intended for use by the land bank.

6 *g.* To charge fees or exchange in-kind goods or services for
7 services rendered to political subdivisions and other persons
8 for whom services are rendered.

9 *h.* To purchase tax sale certificates at auction, negotiated
10 sale, or from a third party who purchased and is a holder of one
11 or more tax sale certificates issued pursuant to chapter 446.

12 *i.* To be assigned a mortgage on real property from a
13 mortgagee in lieu of acquiring such real property subject to
14 a mortgage.

15 *j.* To register as a bidder for tax sales conducted under
16 chapter 446, including tax sales conducted under section
17 446.19C, to bid on parcels offered at such sales, and to hold
18 and administer tax sale certificates obtained at such sales,
19 provided that a land bank may exercise the powers authorized
20 under this paragraph only with respect to parcels within the
21 geographical boundaries of the land bank.

22 *k.* To petition for abatement pursuant to chapter 657A.
23 A land bank is an "interested person" for purposes of that
24 chapter.

25 *l.* To do all acts and things necessary or convenient to
26 carry out the purposes set forth in section 358A.2 and the
27 powers especially created for a land bank in this section,
28 including but not limited to contracting with the federal
29 government, the state or any political subdivision of the
30 state, and any other party, whether nonprofit or for-profit.

31 2. The powers enumerated in this chapter shall not be
32 construed to limit the general powers of a land bank. The
33 powers granted under this chapter are in addition to the powers
34 granted by any other section of the Code, but as to a land
35 bank, shall be used only for the purposes set forth in section

1 358A.2.

2 Sec. 8. NEW SECTION. 358A.8 Eminent domain.

3 1. A land bank shall not possess or exercise the power of
4 eminent domain, including under chapters 6A and 6B.

5 2. Land acquired by a municipality by the exercise of
6 condemnation through eminent domain shall not be used to
7 effectuate the purposes of this chapter.

8 Sec. 9. NEW SECTION. 358A.9 Acquisition of property.

9 1. a. Except as provided in section 358A.8, a land bank
10 may acquire real property or interests in real property by
11 gift, devise, transfer, exchange, foreclosure, purchase, or
12 otherwise, on terms and conditions and in a manner the board
13 considers is in the best interest of the land bank.

14 b. A land bank may hold and own in its name any property
15 acquired by or conveyed to the land bank. All deeds,
16 mortgages, contracts, leases, purchases, or other agreements
17 regarding property of the land bank, including agreements to
18 acquire or dispose of real property, may be approved by and
19 executed in the name of the land bank.

20 2. a. A land bank may acquire real property by purchase
21 contracts, lease-purchase agreements, installment sales
22 contracts, land contracts, or other contracts that convey an
23 interest in real property. A land bank may accept transfers
24 of property or interests in property from the state or
25 any political subdivision of the state upon such terms and
26 conditions as agreed to by the land bank and that unit of
27 government so long as the real property is located within the
28 geographical boundaries of the land bank.

29 b. A land bank may acquire tax sale certificates at a tax
30 sale conducted under chapter 446 and may subsequently acquire
31 title through tax lien foreclosure procedures. A land bank
32 shall not be considered a city or county for purposes of
33 bidding on and acquiring tax sale certificates under chapter
34 446, redeeming property under chapter 447, or obtaining a tax
35 sale deed under chapter 448.

1 *c.* The acquisition of property by the land bank shall not
2 be governed or controlled by any regulations or laws relating
3 to procurement or acquisition of property of any municipality
4 that created the land bank, unless specifically provided in the
5 ordinance, resolution, or chapter 28E agreement establishing
6 the land bank.

7 *d.* Except as otherwise provided in paragraph "e", a land
8 bank shall not own or hold real property located outside the
9 geographical boundaries of the land bank.

10 *e.* A land bank may be granted, pursuant to an
11 intergovernmental contract with a political subdivision of
12 this state, the authority to manage and maintain real property
13 located within the geographical boundaries of the political
14 subdivision, but outside the geographical boundaries of the
15 land bank. If a land bank receives a gift or devise of real
16 property located outside of the geographical boundaries of the
17 land bank, the land bank shall dispose of such property by sale
18 or exchange as soon as reasonably practicable.

19 3. A land bank shall maintain all of its real property in
20 accordance with the laws and ordinances of the jurisdiction in
21 which the real property is located.

22 4. A land bank shall maintain and make available for public
23 review and inspection an inventory of all real property held
24 by the land bank.

25 Sec. 10. NEW SECTION. 358A.10 **Disposition of property.**

26 1. A land bank may convey, exchange, sell, transfer, lease,
27 grant, or mortgage interests in real property of the land bank
28 at such times, to such persons, upon such terms and conditions,
29 and subject to such restrictions and covenants as the land bank
30 deems necessary or appropriate to assure the effective use of
31 the bank in accordance with the purposes of section 358A.2.

32 2. The land bank shall set forth in a resolution the land
33 bank's proposal for sale, exchange, transfer, lease for more
34 than a period of three years, grant, or other disposition of
35 real property the land bank owns and shall publish notice in a

1 newspaper published at least once weekly and having a general
2 circulation within the general boundaries of the land bank at
3 least four and not more than twenty days prior to the date of
4 the public hearing. The published notice shall provide the
5 date, time, and place of a public hearing on the proposal.
6 However, if the population within the geographical boundaries
7 of the land bank is less than two hundred or if there is not
8 a newspaper published within the geographical boundaries of
9 the land bank, the land bank may post such notice on the real
10 property that is the subject of such proposal and at two public
11 places within the geographical boundaries of the land bank.

12 3. After the public hearing, the land bank shall make a
13 final determination on the proposal by resolution.

14 4. A land bank shall not dispose of real property by gift
15 except to a governmental body for a public purpose.

16 5. A land bank shall determine the amount and form of
17 consideration necessary to convey, exchange, sell, transfer,
18 lease, grant, or mortgage interests in real property.
19 Consideration may take the form of monetary payments and
20 secured financial obligations, covenants and conditions related
21 to the present and future use of the property, contractual
22 commitments by the transferee, and other forms of consideration
23 as determined by the board to be in the best interest of
24 the land bank. The value of the consideration shall be
25 not less than the lesser of the fair market value of the
26 property subject to any terms and conditions imposed upon the
27 disposition of the property or the amount paid by the land bank
28 to acquire and rehabilitate the property.

29 6. A municipality may in the ordinance or resolution
30 creating a land bank, or in the chapter 28E agreement in the
31 case of any combination of municipalities creating a single
32 land bank, require that a particular form of disposition of
33 real property or a disposition of real property located within
34 a specified jurisdiction be subject to specified voting and
35 approval requirements of the board.

1 Sec. 11. NEW SECTION. **358A.11 Financing.**

2 1. A land bank may receive funding through grants, loans,
3 and other moneys from the municipality that created the land
4 bank, from other municipalities, from the state, from the
5 federal government, and from other public and private sources,
6 including but not limited to donations, gifts, or bequests.

7 2. A land bank may receive and retain payments for services
8 rendered, for rents and leasehold payments received, for
9 consideration for disposition of real and personal property,
10 for proceeds of insurance coverage for losses incurred, for
11 income from investments, and for any other asset and activity
12 lawfully permitted to a land bank under this chapter.

13 3. Up to seventy-five percent of the real property taxes
14 remaining after the division of taxes pursuant to section
15 403.19, if applicable, and exclusive of any amount levied by a
16 school district, collected on real property that a land bank
17 has conveyed or leased to a third party shall be remitted to
18 the land bank. The specific percentage of the taxes to be
19 remitted, as to each municipality that created the land bank,
20 shall be set forth in the enabling ordinance, resolution, or
21 chapter 28E agreement creating the land bank. The allocation
22 of property tax revenues shall commence with property taxes
23 payable on the assessed value of the property determined on the
24 first assessment year beginning January 1 following the date
25 of conveyance or lease by the land bank and shall be allocated
26 for a period of five consecutive years. The land bank shall
27 give the treasurer in the county where the property is located
28 written notice of the date of the sale or lease of any property
29 for which the land bank claims a real property tax payment
30 under this subsection. The notice shall identify the property
31 by local tax parcel number, address, and legal description and
32 include a copy of the ordinance, resolution, or chapter 28E
33 agreement setting forth the portion of such taxes allocable to
34 the land bank under this subsection. Upon receipt of the taxes
35 from such property, the treasurer shall pay the land bank its

1 share of the taxes paid on such property with respect to the
2 applicable five-year period.

3 4. At the time that a land bank sells or otherwise disposes
4 of property as part of its land bank program, the proceeds from
5 the sale, if any, shall be allocated as determined by the land
6 bank among the following priorities:

7 a. Furtherance of land bank operations.

8 b. Recovery of land bank expenses.

9 Sec. 12. NEW SECTION. 358A.12 Delinquent property tax
10 enforcement.

11 1. Whenever a land bank acquires real property encumbered
12 by a lien or claim for real property taxes owed to one or
13 more of the municipalities that established the land bank,
14 or to other political subdivisions that have entered into an
15 intergovernmental contract with the land bank, the land bank
16 may, by resolution of the board, discharge and extinguish any
17 and all of the liens or claims. The decision by the board to
18 extinguish the property tax liens or claims is subject to the
19 voting requirements contained in section 358A.5, subsection
20 10. If a portion of the real property taxes are attributable
21 to property taxes certified for levy by a school district,
22 the land bank shall notify the school district in writing of
23 its intent to extinguish all such liens and claims. If the
24 school district sends a written objection to the proposed
25 extinguishment of such liens and claims to the land bank within
26 thirty days of receipt of such notice, the land bank shall not
27 extinguish the liens and claims. If the school district fails
28 to send a written objection to the proposed extinguishment to
29 the land bank within thirty days of receipt of such notice
30 from the land bank, the land bank shall have the power, by
31 resolution of the board, to discharge and extinguish any
32 and all such liens or claims. To the extent necessary and
33 appropriate, the land bank shall file with the appropriate
34 taxing entity a copy of the resolution providing for the
35 discharge and the extinguishment of liens or claims under this

1 section.

2 2. If a land bank receives payments of any kind attributable
3 to liens or claims for real property taxes owed or allocated
4 to a municipality or school district on property acquired by
5 the land bank, the land bank shall remit the full amount of the
6 payments to the appropriate taxing entity.

7 Sec. 13. NEW SECTION. 358A.13 **Exemption from taxation.**

8 The income and operations of a land bank are exempt from
9 taxation by the state and by any political subdivision of the
10 state.

11 Sec. 14. NEW SECTION. 358A.14 **Public records and public**
12 **meetings.**

13 A land bank is a "governmental body" for purposes of chapter
14 21 and a "government body" for the purposes of chapter 22. A
15 land bank shall comply with all public meeting requirements
16 under chapter 21 and all public records requirements under
17 chapter 22.

18 Sec. 15. NEW SECTION. 358A.15 **Reports.**

19 1. A land bank shall submit to the governing body of the
20 municipality that created the land bank a monthly report that
21 informs the municipality of the land bank's activities for the
22 previous month.

23 2. By January 31 of each year, the land bank shall submit an
24 annual report to the governing body of the municipality that
25 created the land bank that informs the municipality of the land
26 bank's activities for the preceding calendar year.

27 3. A land bank shall submit an annual report, by January
28 31 of each year, to the general assembly concerning the land
29 bank's activities for the preceding calendar year.

30 Sec. 16. NEW SECTION. 358A.16 **Audits.**

31 A land bank is a "governmental subdivision" for the purposes
32 of chapter 11. A land bank shall be subject to periodic
33 examination by the auditor of state.

34 Sec. 17. NEW SECTION. 358A.17 **Dissolution of land banks.**

35 1. A land bank may be dissolved sixty calendar days after

1 a resolution of dissolution is approved by two-thirds of the
2 voting members of the board and by two-thirds of the membership
3 of each governing body of a municipality that created the
4 land bank. The board shall appoint a trustee to distribute
5 assets held by the land bank. The board shall give sixty
6 calendar days advance written notice of its consideration of
7 a resolution of dissolution by publishing a notice in local
8 newspapers of general circulation within each municipality that
9 created the land bank. Upon dissolution of the land bank, all
10 liabilities, real property, personal property, and other assets
11 of the land bank shall become the liabilities and assets of the
12 municipality that created the land bank, or, in the case of a
13 land bank created pursuant to a chapter 28E agreement, shall be
14 distributed pursuant to the chapter 28E agreement.

15 2. A municipality may withdraw from a land bank if the land
16 bank was created pursuant to a chapter 28E agreement. The
17 withdrawing municipality shall receive its share of assets and
18 liabilities as determined in the chapter 28E agreement. A land
19 bank consisting of two or more municipalities does not dissolve
20 upon the withdrawal of a single municipality.

21 Sec. 18. NEW SECTION. 358A.18 **Conflicts of interest.**

22 1. For purposes of this section, "*family member*" means a
23 person who is a spouse, domestic partner, child, step-child,
24 grandchild, parent, step-parent, grandparent, sibling, niece,
25 nephew, uncle, aunt, mother-in-law, father-in-law, son-in-law,
26 or daughter-in-law of a member of the board or an employee of a
27 land bank. "*Family member*" includes a person who is a family
28 member through adoption.

29 2. A member of the board, employee of a land bank, or family
30 member of a member of the board or an employee of the land
31 bank shall not acquire any direct or indirect interest in real
32 property of the land bank or in any property to be acquired
33 from the land bank, or have or acquire any direct or indirect
34 interest in any real property to be acquired by a land bank.
35 A land bank shall not acquire any real property from a board

1 member, employee of the land bank, or family member of a board
2 member or employee of the land bank.

3 3. Members of the board and employees of the land bank shall
4 disclose to the board any direct or indirect ownership interest
5 such person or a family member of such person has in any
6 property to be acquired by the land bank or located within one
7 thousand feet of any property that the land bank is considering
8 acquiring before the land bank takes any action to acquire such
9 property. A member of the board who is required to make such
10 disclosure shall not participate in the decision to approve the
11 acquisition of such property.

12 4. A member of the board, employee of a land bank, or family
13 member of a member of the board or an employee of the land
14 bank may have a direct or indirect interest in any contract
15 or proposed contract for material or services to be furnished
16 to or used by a land bank only upon all of the following
17 conditions:

18 *a.* The member of the board or employee of the land bank
19 discloses the material facts of such transaction and the nature
20 of such interest to the board before the board acts to approve
21 such contract and, if the person is a board member, does not
22 participate in the discussion or vote to consider approval of
23 such contract.

24 *b.* Such contract is approved by a majority of the members
25 of the board who have no direct or indirect interest in such
26 contract and whose family members have no direct or indirect
27 interest in such contract.

28 *c.* Such contract is fair at the time the contract is
29 approved.

30 5. *a.* Any person who serves or is employed by a land bank
31 shall not engage in any of the following conduct:

32 (1) Outside employment or an activity that involves the use
33 of the land bank's time, facilities, equipment, and supplies
34 or the use of evidences of office or employment to give the
35 person, an entity affiliated with or controlled by the person,

1 or a family member of the person an advantage or pecuniary
2 benefit that is not available to other similarly situated
3 members or classes of members of the general public. For
4 purposes of this subparagraph, a person is not "*similarly*
5 *situated*" merely by being, or being related to, a person who
6 serves or is employed by the land bank.

7 (2) Outside employment or an activity that involves the
8 receipt of, promise of, or acceptance of money or other
9 consideration by the person, an entity affiliated with or
10 controlled by the person, or a family member of the person from
11 anyone other than the land bank for the performance of any act
12 that the person would be required or expected to perform as a
13 part of the person's regular duties or during the hours during
14 which the person performs service or work for the land bank.

15 (3) Outside employment or an activity that is subject to
16 the official control, inspection, review, audit, or enforcement
17 authority of the person, during the performance of the person's
18 duties of office or employment.

19 b. If the outside employment or activity is employment or
20 activity described in paragraph "a", subparagraph (1) or (2),
21 the person shall immediately cease the employment or activity.
22 If the outside employment or activity is employment or activity
23 described in paragraph "a", subparagraph (3), unless otherwise
24 provided by law, the person shall take one of the following
25 courses of action:

26 (1) Cease the outside employment or activity.

27 (2) Publicly disclose the existence of the conflict and
28 refrain from taking any official action or performing any
29 official duty that would detrimentally affect or create a
30 benefit for the outside employment or activity. For purposes
31 of this subparagraph, "*official action*" or "*official duty*"
32 includes but is not limited to participating in any vote,
33 taking affirmative action to influence any vote, granting any
34 license or permit, determining the facts or law in a contested
35 case or rulemaking proceeding, conducting any inspection, or

1 providing any other official service or thing that is not
2 available generally to members of the public in order to
3 further the interests of the outside employment or activity.

4 6. Unless otherwise specifically provided, the requirements
5 of this section shall be in addition to, and shall not
6 supersede, any other rights or remedies provided by law.

7 DIVISION II

8 LAND BANK TAX SALE COORDINATING PROVISIONS

9 Sec. 19. Section 446.16, subsection 2, Code 2021, is amended
10 to read as follows:

11 2. The treasurer may establish and collect a reasonable
12 registration fee from each registered bidder at the tax
13 sale. The fee shall not be assessed against a county, ~~or~~
14 municipality, or land bank. The total of the fees collected
15 shall not exceed the total costs of the tax sale. Registration
16 fees collected shall be deposited in the general fund of the
17 county.

18 Sec. 20. NEW SECTION. **446.19C Land bank tax sale.**

19 1. A land bank has the exclusive bidder's right to purchase
20 tax sale certificates offered at the treasurer's annual tax
21 sale with respect to tax delinquent parcels located within the
22 geographical boundaries of the land bank that are dilapidated,
23 abandoned, or blighted and that are suitable for housing or
24 commercial use following rehabilitation.

25 2. To qualify for the exclusive bidder's right to purchase
26 tax sale certificates under this section, a land bank must
27 file a verified statement with the treasurer on or before May
28 15. The land bank is responsible for obtaining information
29 from the treasurer as needed to accurately identify tax parcel
30 numbers and total amounts due. The land bank shall provide the
31 treasurer with the federal tax identification number of the
32 land bank, but such information is not required to be shown on
33 the verified statement. The verified statement shall include
34 all of the following:

35 a. The name, address, telephone number, and electronic mail

1 address of the land bank.

2 *b.* A statement that the land bank is exercising its right to
3 purchase each identified parcel pursuant to this section.

4 *c.* Specific identification of each parcel by the parcel's
5 official county tax parcel number.

6 *d.* With respect to each identified parcel, a statement that
7 the parcel is dilapidated, abandoned, or blighted and that the
8 parcel is suitable for housing or commercial use following
9 rehabilitation.

10 *e.* The total amount due for each identified parcel computed
11 to the date of the tax sale.

12 3. In addition to the verified statement, the land bank
13 shall submit payment to the treasurer of an amount equal to
14 the total amount due cumulatively for all of the parcels
15 identified in the verified statement. The filing of the
16 verified statement by a land bank accompanied by payment of the
17 total amount due for all identified parcels shall constitute
18 the registration by the land bank as a bidder at the tax sale.
19 The land bank shall not be required to pay a registration fee.

20 4. The land bank's verified statement shall be published at
21 the same time and in the same manner as the notice of the annual
22 tax sale, and the requirements in section 446.9, subsection 2,
23 for publication of notice of the annual tax sale also apply to
24 publication of the verified statement.

25 5. Upon timely receipt of the verified statement and
26 payment of the total amount due cumulatively for all identified
27 parcels, the treasurer shall remove all of the identified
28 parcels from the regular annual tax sale and place those
29 parcels in a separate sale known as the "land bank tax sale".
30 On the day of the regular tax sale, the treasurer shall issue
31 and deliver tax sale certificates to the land bank for all
32 parcels listed in the land bank's verified statement that
33 remain liable to sale for delinquent taxes. The land bank's
34 exclusive right to purchase tax sale certificates to parcels
35 included in the land bank tax sale is prior and superior to the

1 rights of any other tax sale bidder. Any tax sale certificate
2 issued to a land bank under the provisions of this section
3 shall secure a one hundred percent interest in the parcel.

4 6. The separate land bank tax sale shall be conducted by
5 the treasurer prior to the separate public nuisance tax sale
6 conducted under section 446.19B. If the same parcel is listed
7 in both such sales, the parcel shall be sold to the land bank.

8 7. If any parcel identified within the land bank's verified
9 statement has been removed from the land bank tax sale because
10 of receipt by the treasurer of payment of the taxes required to
11 eliminate the delinquency, the treasurer shall refund to the
12 land bank the amount paid with respect to the total amount due
13 for the parcel.

14 8. For purposes of this section, "*abandoned*", "*blighted*",
15 "*dilapidated*", "*geographical boundaries of the land bank*", "*land*
16 "*bank*", and "*rehabilitation*" mean the same as defined in section
17 358A.3.

18 Sec. 21. Section 447.9, subsection 1, Code 2021, is amended
19 to read as follows:

20 1. After one year and nine months from the date of sale, or
21 after nine months from the date of a sale made under section
22 446.18, or after three months from the date of a sale made
23 under [section 446.19A](#), ~~or 446.19B~~, or 446.19C, the holder
24 of the certificate of purchase may cause to be served upon
25 the person in possession of the parcel, and also upon the
26 person in whose name the parcel is taxed, a notice signed by
27 the certificate holder or the certificate holder's agent or
28 attorney, stating the date of sale, the description of the
29 parcel sold, the name of the purchaser, and that the right
30 of redemption will expire and a deed for the parcel be made
31 unless redemption is made within ninety days from the completed
32 service of the notice. The notice shall be served by both
33 regular mail and certified mail to the person's last known
34 address and such service is deemed completed when the notice
35 is deposited in the mail and postmarked for delivery. The

1 ninety-day redemption period begins as provided in section
 2 447.12. When the notice is given by a county as a holder of
 3 a certificate of purchase the notice shall be signed by the
 4 county treasurer or the county attorney, and when given by a
 5 city, it shall be signed by the city officer designated by
 6 resolution of the council. When the notice is given by the
 7 Iowa finance authority or a city or county agency holding
 8 the parcel as part of an Iowa homesteading project, it shall
 9 be signed on behalf of the agency or authority by one of its
 10 officers, as authorized in rules of the agency or authority.

11 DIVISION III

12 OTHER COORDINATING PROVISIONS

13 Sec. 22. Section 11.1, subsection 1, paragraph c, Code 2021,
 14 is amended to read as follows:

15 *c. "Governmental subdivision"* means cities and
 16 administrative agencies established by cities, hospitals or
 17 health care facilities established by a city, counties, county
 18 hospitals organized under [chapters 347 and 347A](#), memorial
 19 hospitals organized under [chapter 37](#), entities organized under
 20 chapter 28E, land banks created under chapter 358A, community
 21 colleges, area education agencies, and school districts.

22 Sec. 23. Section 21.2, subsection 1, Code 2021, is amended
 23 by adding the following new paragraph:

24 NEW PARAGRAPH. *k.* A land bank created under chapter 358A.

25 Sec. 24. Section 22.1, subsection 1, Code 2021, is amended
 26 to read as follows:

27 1. *"Government body"* means this state, or any county,
 28 city, township, school corporation, political subdivision,
 29 tax-supported district, nonprofit corporation other than a
 30 fair conducting a fair event as provided in [chapter 174](#), whose
 31 facilities or indebtedness are supported in whole or in part
 32 with property tax revenue and which is licensed to conduct
 33 pari-mutuel wagering pursuant to [chapter 99D](#); the governing
 34 body of a drainage or levee district as provided in chapter
 35 468, including a board as defined in [section 468.3](#), regardless

1 of how the district is organized; a land bank created under
2 chapter 358A; or other entity of this state, or any branch,
3 department, board, bureau, commission, council, committee,
4 official, or officer of any of the foregoing or any employee
5 delegated the responsibility for implementing the requirements
6 of this chapter.

7 Sec. 25. Section 97B.1A, subsection 9, paragraph a, Code
8 2021, is amended to read as follows:

9 a. "*Employer*" means the state of Iowa, the counties,
10 municipalities, agencies, public school districts, all
11 political subdivisions, and all of their departments and
12 instrumentalities, including area agencies on aging, other than
13 those employing persons as specified in subsection 8, paragraph
14 "*b*", subparagraph (7), land banks created under chapter 358A,
15 and joint planning commissions created under chapter 28E or
16 28I.

17 Sec. 26. Section 331.361, subsection 2, unnumbered
18 paragraph 1, Code 2021, is amended to read as follows:

19 In disposing of an interest in real property by sale or
20 exchange, by lease for a term of more than three years, or by
21 gift, the following procedures shall be followed, except for
22 dispositions to land banks created under chapter 358A and as
23 otherwise provided by state law:

24 Sec. 27. Section 331.361, subsection 4, Code 2021, is
25 amended to read as follows:

26 4. The board shall not dispose of real property by gift
27 except for a public purpose, as determined by the board, in
28 accordance with other state law. This subsection shall not
29 apply to disposal of real property by gift to land banks
30 created under chapter 358A.

31 Sec. 28. Section 364.7, Code 2021, is amended to read as
32 follows:

33 **364.7 Disposal of property.**

34 1. A city may not dispose of an interest in real property
35 by sale, lease for a term of more than three years, or gift,

1 except in accordance with the following procedure:

2 ~~1.~~ a. The council shall set forth its proposal in a
3 resolution and shall publish notice as provided in section
4 362.3, of the resolution and of a date, time and place of a
5 public hearing on the proposal.

6 ~~2.~~ b. After the public hearing, the council may make a
7 final determination on the proposal by resolution.

8 ~~3.~~ c. A city may not dispose of real property by gift
9 except to a governmental body for a public purpose.

10 2. This section shall not apply to disposal of an interest
11 in real property to a land bank created under chapter 358A.

12 Sec. 29. Section 427.1, Code 2021, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 42. *Land bank property.* The real property
15 of a land bank created under chapter 358A. For purposes of
16 this subsection, real property includes but is not limited
17 to real property held by a land bank as lessor pursuant
18 to long-term lease contracts with community land trusts as
19 defined in 42 U.S.C. §12773, but does not include real property
20 otherwise leased by a land bank to a third party and does not
21 include real property that has been sold on contract, which
22 real property shall be subject to property taxation in the name
23 of the contract buyer.

24 Sec. 30. Section 573.1, subsection 3, Code 2021, is amended
25 to read as follows:

26 3. "*Public corporation*" shall embrace the state, and all
27 counties, cities, public school corporations, any land bank
28 created under chapter 358A, and all officers, boards, or
29 commissions empowered by law to enter into contracts for the
30 construction of public improvements.

31 Sec. 31. Section 657A.2, subsection 1, Code 2021, is amended
32 to read as follows:

33 1. No sooner than the later of thirty days after the
34 responsible building official's findings have been provided
35 under [section 657A.1A](#) or six months after a building has

1 become abandoned, a petition for abatement under [this chapter](#)
 2 may be filed in the district court of the county in which
 3 the property is located by the city in which the property is
 4 located, by the county if the property is located outside the
 5 limits of a city, by a neighboring landowner, by a land bank
 6 created under chapter 358A, or by a duly organized nonprofit
 7 corporation which has as one of its goals the improvement of
 8 housing conditions in the county or city in which the property
 9 in question is located. The petition shall not demand a
 10 personal judgment against any party, but shall concern only
 11 the interests in the property. A petition for abatement filed
 12 under [this chapter](#) shall include the legal description of
 13 the real property upon which the public nuisance is located
 14 unless the public nuisance is not situated on or confined to
 15 a parcel of real property, or is portable or capable of being
 16 removed from the real property. Service shall be made on all
 17 interested persons by personal service or, if personal service
 18 cannot be made, by certified mail and first class mail to the
 19 last known address of record of the interested person and by
 20 posting the notice in a conspicuous place on the building,
 21 or by publication. The last known address of record for the
 22 property owner shall be the address of record with the county
 23 treasurer of the county where the property is located. Service
 24 may also be made as provided in [section 654.4A](#).

25

EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
 27 the explanation's substance by the members of the general assembly.

28 This bill provides for the establishment of land banks.

29 Division I of the bill authorizes one or more municipalities
 30 to establish a land bank as a method to return dilapidated,
 31 abandoned, blighted, and tax-delinquent properties in their
 32 communities to economically productive status. An established
 33 land bank is a public agency for the purpose of joint exercise
 34 of governmental powers, a governmental body for purposes
 35 of public meetings requirements of Code chapter 21, and a

1 government body for purposes of public records requirements
2 of Code chapter 22. Land banks are subject to periodic
3 examination by the auditor of state under Code chapter 11. The
4 bill sets membership requirements and term limits for a board
5 of directors of a land bank, including interests that shall
6 be represented on the board. The bill requires the board to
7 establish bylaws relating to governance of the land bank.

8 Division I of the bill grants a land bank various powers
9 and duties, including the authority to acquire properties
10 through certain procedures, including the purchase of tax
11 sale certificates and the foreclosure of properties acquired
12 at a tax sale if not redeemed. However, the bill explicitly
13 prohibits a land bank from possessing or exercising the power
14 of eminent domain. The bill establishes financing procedures
15 that govern land banks, including allowing to be remitted to
16 the land bank up to 75 percent of real property taxes collected
17 on a real property conveyed or leased by a land bank that
18 remains after the division of taxes for an urban renewal area
19 and exclusive of any amount levied by a school district for
20 five consecutive years after the property is again put on the
21 tax rolls. The bill requires a land bank to make monthly and
22 annual reports to the governing body that created the land
23 bank and submit an annual report to the general assembly. The
24 bill provides procedures for disposing of property that is
25 acquired by the land bank. The bill also provides procedures
26 for dissolving a land bank.

27 Division II of the bill creates a land bank tax sale
28 procedure, which allows a land bank to acquire abandoned,
29 blighted, or dilapidated properties through an exclusive tax
30 sale. In order to acquire property through a land bank tax
31 sale, the land bank shall file a verified statement identifying
32 the parcels for which the land bank intends to purchase the tax
33 sale certificates and shall pay the delinquent total amounts
34 due on each parcel before May 15. Upon timely receipt of
35 the land bank's verified statement and payment, the county

1 treasurer shall remove the identified parcels from the regular
2 annual tax sale and place those parcels in the land bank tax
3 sale. The land bank tax sale shall occur before a public
4 nuisance tax sale.

5 Division III of the bill makes changes throughout the Code
6 to conform with land bank procedures established in division
7 I of the bill.